

REMARKS

STATUS OF THE CLAIMS

Claims 14-25 and 28-35 are present in this application. According to the advisory Action dated October 29, 2009, the amendment filed September 30, 2009, that corrected minor informalities present in claims 14, 16, 34, and 35, was apparently entered. In addition, entry of this amendment filed September 30, 2009, is required because the final Office Action of August 6, 2009, as well as that of February 2, 2010, have been withdrawn as indicated in item 8 on page 4 of this outstanding Action. The Amendment filed March 24, 2009, should have been entered as it was filed before the mailing of a final rejection.

In addition to the above noted entry of the amendment filed September 30, 2009, that corrected minor informalities present in claims 14, 16, 34, and 35, it is noted that pending claims 15, 18, 19, 24, 25, 28, and 31-33 have not been properly withdrawn from consideration as discussed in detail below. It is further noted that claims 26 and 27, which were previously canceled without prejudice or disclaimer by the Amendment filed March 24, 2009, are erroneously still being treated as pending claims in the body of the present outstanding Action. On the other hand, claims 34 and 35, which replaced canceled claims 26 and 27 in the above-noted Amendment filed on March 24, 2009, are improperly omitted from treatment in the body of the outstanding Action as also fully discussed below. In addition, the Office Action Summary (the PTOL-326 attached to the outstanding Action) is confusing as to claim status and Amendment entry status as set forth in detail below.

SUMMARY OF THE OFFICE ACTION

The outstanding Office Action is the third in a series of clearly improper final Actions that fails to acknowledge receipt of copies of the priority documents from the International Bureau.

In addition, the outstanding Action presents an improper restriction requirement that fails to include pending claims 34 and 35 while improperly including canceled claims 26 and 27, an improper rejection of claims 14, 16, 17, 20, 22, 23, and previously canceled claim 26 under the second paragraph of 35 U.S.C. §112, an improper implied rejection of previously canceled claim

27, and an improper rejection of claims 14, 16, 17, 20-23, 26, 27, 29, and 30 under 35 U.S.C. §103(a) as being unpatentable over Ishiguro (U.S. Patent No. 7,216,368).

FOREIGN PRIORITY

The outstanding Office Action again fails to properly acknowledge receipt of copies of the priority documents from the International Bureau. Correction of this error is requested.

IMPROPER OFFICE ACTION SUMMARY

The Office Action Summary (the PTOL-326 attached to the outstanding Action) acknowledges (in item 1) that the outstanding Office Action is responsive to the Amendment filed on March 24, 2009, but fails to also acknowledge the above-noted entry of the amendment filed September 30, 2009. Item 4 of this PTOL-326 Summary does not correctly indicate that the “pending claims” are claims 14-25 and 28-35 or that claims 15, 18, 19, 24, 25, 28, and 31-33 have been withdrawn from consideration. In addition, item 6 of this Summary improperly indicates that claims 34 and 35 are rejected even though the body of the outstanding Action does not mention claims 34 and 35, much less present any rejection of these claims in the manner required by MPEP § 707.07(d) that requires “[w]here a claim is refused for any reason relating to the merits thereof it should be “rejected” and the ground of rejection fully and clearly stated, and the word “reject” must be used.” This section of the MPEP further notes that the “examiner should designate the statutory basis for any ground of rejection by express reference to a section of 35 U.S.C. in the opening sentence of each ground of rejection.” No such properly presented rejections appear in the body of the outstanding Action.

In addition, the outstanding Action presents an improper rejection of claims 14, 16, 20, 22, 23, and canceled claim 26 under the second paragraph of 35 U.S.C. §112, and an improper rejection of claims 14, 16, 17, 20-23, 29, 30, and canceled claims 26 and 27 under 35 U.S.C. §103(a) as being allegedly unpatentable over Ishiguro (U.S. Patent No. 7,216,368). As noted above, the Amendment filed March 24, 2009, cancelled claims 26 and 27 and replaced them with new claims 34 and 35. The outstanding Action is respectfully submitted to be clearly improper as to the confusing statements made as to claims 26, 27, 34, and 35 as set forth in detail in the following discussions.

WITHDRAWAL OF IMPROPER RESTRICTION REQUIREMENT

With regard to the newly formulated restriction requirement, Applicants elect, with traverse, Group I, claims 14, 16, 17, 20-23, 29, and 30 along with ungrouped claims 34 and 35.

The outstanding Restriction requirement is further noted to be clearly improper and traversed in that it lists canceled claims 26 and 27 as being in “Group I” while failing to list already acted upon claims 34 and 35 in this group or any other one of the listed Groups II-V.

The outstanding Restriction requirement is also traversed because it alleges that Groups I-V “do not relate to a single general inventive concept under PCT Rule 13.1 because, under PCT Rule 13.2, they lack the same or corresponding special technical features.” This statement is followed by the allegation that Groups I-V “lack unity of invention” because the “technical feature of the license server” is asserted to not be a “special technical feature” because it is alleged to make no contribution over the prior art based on Ishiguro (U.S. Patent No. 7,216,368) teaching of “applying license to devices that provide content therefore the shared technical feature lacks novelty and an inventive step in view of Ishiguro.”

However, independent claims 14 and 16 of Group I include far more in common with independent claim 15 of Group II and independent claim 18 of Group III than just “applying license to devices that provide content.” For example, each of independent claims 14-16 and 18 requires an “accounting server” to receive at least “content ID” and “accounting ID” to perform an accounting and to return an indication of a successful accounting after subtracting an appropriate amount from stored money information.

The outstanding Action refers to col. 7, lines 50-60 of Ishiguro as teaching this operation, but col. 7, lines 50-60 of Ishiguro only teach the following:

The user orders access to the content server 3 by operating the input unit 26. In response, the CPU 21 reaches step S1 and causes the communication unit 29 to access the content server 3 via the Internet 2. In step S2, the user inputs information for designating the content to be provided by operating the input unit 26. Given the content-designating information, the CPU 21 reports the information to the content server 3 through the communication unit 29 and via the Internet 2. Upon receipt of the report, the content server 3 returns encrypted content data, as will be described later with reference to the flowchart of FIG. 4.

Clearly, and contrary to the baseless allegation in the outstanding Action, the relied upon disclosure of Ishiguro (at col. 7, lines 50-60) is not at all relevant to either the “accounting server” or the operations it is required to perform.

Furthermore, this is the first restriction requirement that has based restriction on an allegation of lack of “unity of invention.” This is, therefore, the first opportunity that has been presented to make an election based upon allegations of a lack of “unity of invention.” Thus, the outstanding “final” Action clearly violates 37 C.F.R. §1.143 in that there has been no opportunity provided to Applicants to traverse this requirement before it was made “final.” This last point is important as it impacts on the right of the applicant to file a petition for review of the Requirement under 37 C.F.R. §1.144.

WITHDRAWAL OF IMPROPER OFFICE ACTION

37 C.F.R. § 1.104(c)(2) specifies the manner of making any rejection as follows:

In rejecting claims for want of novelty or for obviousness, the examiner must cite the best references at his or her command. When a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified.

As has been noted above, item 6 of the Office Action Summary (the PTOL-326 attached to the outstanding Action) indicates that claims 34 and 35 are “rejected” but this statement fails to meet the requirements of 37 C.F.R. § 1.104(c)(2). Furthermore, the body of the outstanding Action does not set forth any specific rejection of claims 34 and 35. Not only does this violate 37 C.F.R. § 1.104(c)(2), it also violates MPEP § 707.07(d) that requires “[w]here a claim is refused for any reason relating to the merits thereof it should be ‘rejected’ and the ground of rejection fully and clearly stated, and the word ‘reject’ must be used.” This section of the MPEP further notes that the “examiner should designate the statutory basis for any ground of rejection by express reference to a section of 35 U.S.C. in the opening sentence of each ground of rejection.” No such properly presents rejection of claims 34 and 35 appears in the body of the outstanding Action.

Not only have 37 C.F.R. § 1.104(c)(2) and MPEP § 707.07(d) been violated by the present outstanding Office Action as noted above, the present outstanding Action further clearly

violates 35 U.S.C. § 132 that requires that each rejection made by the PTO must include “the reasons for such rejection, . . . , together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application.”

Further lacking from the outstanding Action is any attempt to comply with MPEP § 707.07(f) that notes that when “the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and **answer the substance of it**” (emphasis added). For example, the present rejection of claims 14, 16, 20, 22, 23, and 26 (a canceled claim) under the second paragraph of 35 U.S.C. §112 repeats this rejection and the rationales offered in paragraphs 7-13 of the Office Action dated December 24, 2008, as paragraphs 12-19 of the outstanding Action. However, the clearly defective reasoning in repeated paragraphs 7-13 of the Office Action dated December 24, 2008, was traversed in the Amendment filed March 24, 2009, by noting the following:

Turning to item 7 on page 3 of the outstanding Action, it is noted that this rationale offered as to the rejection of claim 14 under the second paragraph of 35 U.S.C. §112 is based on the decision of *Ex parte Lyell*, 17 USPQ2d 1548 (B.P.A.I. 1990). This rationale has misinterpreted the clearly permissible **functional language** (see *In re Swinehart*, 439 F.2d 210, 160 USPQ 226 (CCPA 1971) cited in the above noted quotation from MPEP §2173.01) of this claim as somehow constituting process language like the specifically claimed process steps in exemplary claim 2 in *Lyell* that is repeated as follows:

2. An automatic transmission tool in the form of a workstand **and method for using same** comprising:
a support means,
and [sic] internally splined sleeve affixed upright to said support means,
a threaded adjustment bolt threadably engaged through a hole in the bottom of said support means and projecting upward through said support frame into said sleeve,
and **further comprising the steps of**
 - 1. positioning the output end of an automatic transmission onto said upright sleeve,**
 - 2. removing the internal components of said automatic transmission from the casing of said transmission,**
 - 3. repairing and replacing said internal components back into said casing, and**
 - 4. adjusting said internal components for fit and interference by means of adjusting said upwardly projecting adjustment bolt.** (Emphasis added.)

The language noted in the outstanding Action is not this expressly stated “method” and “step” language in *Lyell*, instead it relates to recitations of functions. With further regard to such **functional language**, this type of claim language is noted to be proper for use in an apparatus claim in terms of being noted to comply with the second paragraph of 35 U.S.C. §112 by *In re Swinehart*, *supra*. In addition, MPEP §2173.05(g) notes that:

A functional limitation must be evaluated and considered, just like any other limitation of the claim, for what it fairly conveys to a person of ordinary skill in the pertinent art in the context in which it is used. A functional limitation is often used in association with an element, ingredient, or step of a process to define a particular capability or purpose that is served by the recited element, ingredient or step.

As item 7 on page 3 of the outstanding Action clearly misinterprets claim 14 as purporting to be both a product and a process, the item 7 rationale based on *Ex parte Lyell*, *supra*, cannot be said to present a reasonable basis for the rejection of amended claim 14 under the second paragraph of 35 U.S.C. §112.

Item 8 on page 3 of the outstanding Action notes that claims 14 and 16 of the preliminary amendment recited that the content reproduction device “performs decoding and reproduction with the stored decoding information each time the encrypted content is decoded.” This portion of the outstanding Action then asserts an undocumented conclusion that “it is unclear to one of ordinary skill why the content requires ‘decoding’ after it has already been decoded (the encrypted content id [sic, is] decoded’).”

The rationale here misses the point that when the encrypted content is decoded for reproduction, this decoded encrypted content is not stored for further reproduction requests. Instead, each time reproduction of the encrypted content is desired, it must be decoded using the stored decoding information each time so that the encrypted content can be reproduced as decoded content. This retaining of the “decoding information” and not the decoded content itself helps prevent illegal use of the decoded content as explained in the paragraph bridging pages 9 and 10 of the specification. To clarify this retention of the “decoding information” and not the decoded content itself and to remove any confusion, these claims now recite that the content reproduction device is structurally arranged to obtain selected stored decoding information “that corresponds to a content ID identifying particular encrypted content selected for reproduction and to store the selected decoding information and to then perform decoding with the stored selected decoding information each time the particular encrypted content is selected to be decoded for reproduction.”

The specification is clear (note page 16, lines 6-9, for example) that in the context of this application the disclosed and claimed decoding of the encrypted content to provide decoded content for reproduction can be considered to be decoding the encrypted content by decrypting it as noted at the end of item 8. However, whether this processing of the encrypted content to make it available for reproduction is called “decoding” or “decrypting,” the point is that to have each reproduction there must first be a “decoding” or a “decrypting” using the retained “decoding information” as noted above.

Accordingly, the rationale of item 8 on page 3 cannot be said to present a reasonable basis for the rejection of amended claims 14 and 16 under the second paragraph of 35 U.S.C. §112.

Item 9 bridging pages 3 and 4 of the outstanding Action notes that claim 16 of the preliminary amendment recited that “when the license vending machine reads a license card and decoding information does not exist for a content ID identifying an encrypted content...” and concludes without any supporting analysis that this recitation somehow makes “the scope of this claim ... unclear.”

However, page 34 of the specification (at lines 12-16) makes it clear that claim 16 is simply stating that the license card may lack a record of the decoding information needed to decode a particular encrypted content. The case law noted in MPEP §2173.02 (*Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576, 1 USPQ2d 1081, 1088 (Fed. Cir. 1986)) requires the claim language must be considered in light of the specification, not in a vacuum.

Moreover, the language has now been even further clarified to recite that “the license vending machine is structurally arranged to receive and read a license card lacking needed decoding information for a content ID identifying the desired encrypted content.” There can be no doubt that the artisan reading this claim language in light of the specification would understand the scope of this claimed subject matter.

Accordingly, the rationale of item 9 bridging pages 3 and 4 of the outstanding Action cannot be said to present a reasonable basis for the rejection of amended claim 16 under the second paragraph of 35 U.S.C. §112.

Turning to item 10 on page 4 of the outstanding Action, it is noted that the rationale offered here as to the rejection of claims 20, 22, and 23 under the second paragraph of 35 U.S.C. §112 is based on these claims being dependent on claim 14 and the above-noted decision of *Ex parte Lyell*, 17 USPQ2d 1548 (B.P.A.I. 1990) coupled again with a clear misinterpretation of the permissible **functional language** (see *In re Swinehart*, 439 F.2d 210, 160 USPQ 226 (CCPA 1971) cited in the above noted quotation from MPEP §2173.01) of these claims as

corresponding to method steps like the clearly recited method steps from *Lyell* that were specifically noted above.

As item 10 on page 4 of the outstanding Action clearly misinterprets claims 20, 22, and 23 as claims that purport to be both product and process claims, the item 10 rationale based on *Ex parte Lyell, supra*, cannot be said to present a reasonable basis for the rejection of amended claims 20 and 22 along with claim 24, 22, and 23 under the second paragraph of 35 U.S.C. §112.

Turning to items 11-13 on pages 4 and 5 of the outstanding Action, the cancelation of claims 26 and 27 clearly renders the rejection of claim 26 under the second paragraph of 35 U.S.C. §112 and the apparent improper rejection of claim 27 on unspecified grounds moot.

35 U.S.C. §112 SECOND PARAGRAPH REJECTION

As noted above, item 11 on page 4 of the outstanding Action copies the above-noted rejection of claims 14, 16, 20, 22, 23, and canceled claim 26 under the second paragraph of 35 U.S.C. §112 from the Office Action dated December 24, 2008.

First it is noted that as claim 26 has been canceled, the rejection thereof on any grounds is considered to be moot as is the improper implied rejection of canceled claim on this same ground.

Secondly, this identical rejection and accompanying rationales were traversed in the Amendment filed March 24, 2009, as further detailed above. As also noted above, the present outstanding final Action violates MPEP § 707.07(f) that requires that this repeated rejection of claims 14, 16, 20, 22, and 23, **must** be treated by noting this previous traversal of this rejection and answering “**the substance of it.**” Instead of doing this, and as noted above, the present outstanding final Action simply repeats the previously traversed allegations of paragraphs 7-13 from the Office Action dated December 24, 2008, as renumbered paragraphs 13-19 of the present outstanding final Action. Therefore, this rejection of pending claims 14, 16, 20, 22, and 23 is again traversed for all the reasons set forth in the Amendment filed March 24, 2009, that have been repeated above and remain unanswered.

Besides the unanswered arguments that are repeated above from the Amendment filed March 24, 2009, the case of *Credle v. Bond*, 25 F3d 1566, 1572, 30 USPQ2d 1911, 1915 (Fed.

Cir. (1994) is noted as to the well documented understanding of the nature of steps in a method claim as follows:

Furthermore, from the structure of the entire count, one observes that before each clause containing an undisputed present participle designating the method steps--“*providing* an insert with an elongated form . . .”; “*joining* two opposed webs of material to produce opposed walls . . .”; and “*applying* a spout to one of the webs extending outwardly therefrom . . .”--there is a comma, indicating the beginning of a new, distinct step to be taken in the method of producing the collapsible bags. There is no such comma preceding “flexibly securing.” This suggests that “securing” is not a present participle signifying a distinct method step, but instead indicates the static relationship between the spout and the form.

Accordingly, the withdrawal of the clearly improper rejection of claims 14, 16, 20, 22, 23, and canceled claim 26 under the second paragraph of 35 U.S.C. §112 is respectfully requested.

35 U.S.C. §103 REJECTION

Item 21 on page 7 of the outstanding Action sets forth the above-noted rejection of claims 14, 16, 17, 20-23, 26, 27, 29, and 30 under 35 U.S.C. §103(a) as being unpatentable over Ishiguro. This rejection is clearly moot as to canceled claims 26 and 27 and is traversed as to claims 14, 16, 17, 20-23, 29, and 30.

Item 22 on page 7 of the outstanding Action sets forth an allegation that Fig. 1 and col. 7, lines 1-3 of “Ishiguro discloses an accounting system comprising: a license server connected with an accounting server and a content reproduction device that is structurally arranged to read out an accounting ID identifying money information from a prepaid card, to transmit a content ID identifying a desired encrypted content and the accounting ID to the license server through a communication network, and to receive and store decoding information needed to decode the desired encrypted content from the license server when the license server determines that decoding information can be provided to the content reproduction device.”

This is a clearly erroneous interpretation as col. 3, lines 1-3 of Ishiguro only disclose that “[a]ny number of content servers 3, license servers 4, and accounting servers 5 may be configured and connected to the Internet 2 in practice.”

It appears that the Examiner acknowledges that at least the requirement of claim 14 that the content reproduction device must “read out an accounting ID identifying money information from a prepaid card” is missing. The Examiner next improperly alleges that this missing accounting ID disclosure can be ignored because the Examiner concludes that Ishiguro (at some unidentified location) discloses “a user inputting personal information as well as accounting information” into an unidentified input unit coupled with the misinterpretation of *In re Schreiber*, 44 USPQ2d 1429 (Fed. Cir. 1997) extracted from MPEP § 2114 as to an express claim limitation being given patentable weight because it is alleged to define over the prior art by function alone. However, the actual holding in *Schreiber* was one clearly based on a finding that the limitations at issue there were found to be inherent in the prior art reference, not that these limitations at issue were not being given patentable weight because they would define over the prior art by function alone.

The Examiner’s attempt to deny giving weight to specific claim limitations is further contrary to well established binding precedent that was not changed by the three member panel decision in *Schreier*. See *In re Angstadt*, 190 USPQ 214, 217 (CCPA 1976) noting that the functional claim “limitation ‘to form * * * hydroperoxides’ must be given effect since we *must* give effect to *all* claim limitations” (emphasis in original). Further note *Clements Industries Inc. v. A. Meyers & Sons Corp.*, 12 USPQ2d 1874 (SD NY 1989), in which the court notes that “functional language such as that here at issue ... is allowed in claims and is entitled to full weight in claim analysis” citing *In re Swinehart*, 169 USPQ 226 (CCPA 1971) as clear authority for this position. Therefore, in accordance with binding precedent, the Examiner is not free to ignore functional language and must give this functional language patentable weight.

Besides improperly trying to ignore the above noted claim language, the paragraph bridging pages 8 and 9 of the outstanding Action then suggests that the relied upon misinterpretation of *Schreiber* permits the Examiner to ignore the remainder of the claim limitations that are also clearly not taught by Ishiguro.

Turning to Claim 16, the outstanding Action makes further allegations that the missing vending machine disclosure noted in the paragraph spanning pages 10-11 of the present outstanding final Action is somehow cured by mere reference to keyboard inputting of information and storage of user information in a storage medium with further vague reliance on

the *Smith* board decision noted at page 11. Nothing in the relied upon *Smith* decision suggests that the PTO can ignore claim limitations or the requirements of the Administrative Procedure Act that requires the PTO to provide substantial evidence to support any conclusions. See *In re Lee*, 217 F.3d 1365, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002). In the *Smith* case there was evidence made of record to support the proposed change and no such evidence has been made of record here.

The improper reliance on the misinterpreted *Schreiber* decision as somehow authorizing the Examiner to ignore express claim limitations at page 12 of the outstanding Action has been shown above to be clear error.

Compounding this clear error is the further clearly erroneous reliance on the *Collier* decision at page 12 of the outstanding Action as to limitations characterized as “actions that may or may not be done” being indefinite. Even if such “indefinite” actions were claimed, which is not the case, this does not mean that they can be ignored in a prior art rejection. See MPEP §2143.03 that directs examiners to consider all claim limitations in an obviousness analysis, even those asserted to be indefinite. Further note *In re Wilson*, 424 F.2d 1382, 165 USPQ 494 (CCPA 1970) cited here.

Accordingly, as no *prima facie* case of obviousness has been established as to the improper rejection of claims 14, 16, 17, 20-23, 29, and 30 under 35 U.S.C. §103(a) as being unpatentable over Ishiguro, withdrawal of this improper rejection is respectfully submitted to be clearly in order.

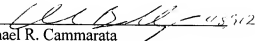
CONCLUSION

Should there be any outstanding matters that need to be resolved as to the present application, the Examiner is respectfully requested to contact Raymond F. Cardillo, Reg. No. 40,440 at the telephone number of the undersigned below, to conduct an interview in an effort to expedite prosecution in connection with the present application.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies to charge payment or credit any overpayment to Deposit Account No. 02-2448 for any additional fees required under 37.C.F.R. §§1.16 or 1.17; particularly, extension of time fees.

Dated: June 3, 2010

Respectfully submitted,

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